

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

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IN RE:

**SEARS HOLDING CORPORATION,
INC, et al**

Chapter 11

Debtors.

Case No. 18-23538 (rdd)
(jointly administered)

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**OBJECTION OF UNION CENTER REALTY, LLC (STORE NO. 3268) TO DEBTORS'
NOTICE TO CURE COSTS AND POTENTIAL ASSUMPTION AND ASSIGNMENT OF
EXECUTORY CONTRACTS AND UNEXPIRED LEASES**

Union Center Realty, LLC (“Union Center”), by and through its attorneys Reich, Reich & Reich, PC, as and for its objection to the “Notice of Cure Costs and Potential Assumption and Assignment of Executory Contracts and Unexpired Leases in Connection with Global Sale Transaction” (the “Cure Notice”) filed by the above-captioned debtors and debtors-in-possession (the “Debtor”) represents as follows:

1.) On or about October 15, 2018 the Debtor, including Kmart Holding Corporation (“Kmart”), filed petitions for bankruptcy relief pursuant to Chapter 11 of Title 11 of the United States Code (the “Bankruptcy Code”). The Debtor has continued to operate it business and manage its properties as a debtor-in-possession pursuant to §§ 1107 and 1108 of the Bankruptcy Code.

2.) Union Center is the owner of the real property located at 910 Wilkes Barre Township Boulevard, Wilkes-Barre, PA, also known as Blackman Plaza (“Shopping Center”). Union Center is the successor landlord and Kmart, formally known as S.S. Kresge Company, is the tenant under a lease dated March 29, 1974, as amended by the November 26, 1976, First Amendment to Lease (the “Lease”) for a portion of the Shopping Center that houses Kmart, the Debtor entity.

3.) On or about January 18, 2019 the Debtor served the Cure Notice. Schedule "B" attached to the Cure Notice at line No. 187 provides that the Cure Amount for the Lease is \$0.00.

4.) Union Center submits that the actual cure amount due under the Lease is \$42,642.99, representing unpaid real estate taxes allocable to the Lease for the year 2018 ("RE Taxes").

5.) A copy of the invoices Union Center issued to the Debtor on September 12, 2018 and November 13, 2018 for the RE Taxes allocable to the Lease in the total amount of \$54,232.38 are attached hereto as Exhibit A.

6.) The Debtor issued a partial payment to Union Center in December, 2018 in the amount of \$11,589.39 on account of what it deemed to be the post-petition portion of the RE Taxes leaving a balance due Union Center in the amount \$42,642.99 ("Balance Due")

7.) As set forth in the email of Franck Moyo, Financial Analyst for Real Estate for Sears Holdings Corporation, to real estate counsel for Union Center, the Debtor agrees that \$42,642.99 is due Union Center on account of the unpaid RE Taxes (the "Moyo Email"). A copy of the Moyo Email is annexed hereto as Exhibit B.

8.) Union Center is in the process of determining whether it is due percentage rent under the Lease for the year 2018 and reserves the right to supplement and/or amend this objection prior to the hearing date to include the unpaid percentage rent.

WHEREFORE, Union Center respectfully requests the entry of an order pursuant to 11 U.S.C. §365(b)(1) requiring that prior to assuming and assigning the Lease that the Debtor cure the real estate taxes due under the Lease in the amount of \$42,642.99 along with any and all other cure amounts due under the Lease that arise prior to the actual date that the Lease is assumed, along with such other and further relief as is just and proper.

Dated: White Plains, New York
January 23, 2019

REICH, REICH & REICH, PC
Attorneys for Union Center Realty LLC

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